

EXHIBIT

6 May 1948

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Progress Report of the Executive for Inspection and Security for the Month of April 1948.

I. PROGRESS FOR APRIL

A. Status of Security within CIA

1. Security violations for the month of April numbered 13, the lowest number recorded since statistics of this type have been maintained. Ten of the 13 violations occurred in two office areas--ORE and OSO. The security situation continues on a very favorable plane in that during the month of April 70 complete inspections were carried out by the night duty security officers. This represents comprehensive coverage and indicates that the employees are fully aware of their responsibilities for the safeguarding of classified material.

2. The Executive for I & S has received authority to establish a CIA Investigative Unit within I & S for the investigation of personnel cases. It is anticipated that the organization will begin to function on August 1. Organizational work has been initiated and a nucleus of trained investigators has been set up for implementation of the program. This will resolve a rather serious situation which developed as a result of the FBI withdrawal of its investigative services on 1 January 1948.

3. The program for the establishment of a separate guard force for all CIA buildings has been approved and negotiations are now in progress with Department of Interior for implementation of this program. The establishment of a separate guard force of high caliber personnel will greatly increase the efficiency of the guard organization and the security of our building operations. Direct control over the guards is a principal feature of this program, which will eliminate the conflicting jurisdictions that exist in the present guard force.

4. Negotiations with the Civil Service Commission for the compliance by CIA with the Federal Loyalty Program have been conducted and an understanding with the Commission has been established wherein CIA will meet the requirements of the Loyalty Program to the greatest extent possible consistent with our security requirements for the protection of intelligence sources of information.

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5. The detail implementation of the Disaster Plan has been effected and all organizational units of CIA have established their operating procedures under this plan.

B. Accomplishments and Activities During April 1948

6. Investigations Division

a. Agreements have been established with OS and personnel are being procured for the implementation of the security aspects of the contacts program. Development of this program is expected to begin in the early part of May.

b. Security files and related records were examined in order that CIA might make appropriate certification to the Civil Service Commission for its compliance with certain requirements of the Loyalty Program.

c. Status of investigative cases for the month of April is as follows:

(1) Number of cases in process in FBI as of 1 April 1948:			2
Number of cases under investigation by facilities other than the FBI as of 1 April 1948:			283
Number of cases in process in I & S as of 1 April 1948:			180
TOTAL cases in process as of 1 April 1948:			313
Number of cases forwarded for investigation during period:	94		
Number of FIS's receiving pre-investigation action:	25	117	
Less FIS's receiving pre-investigation action 1 April 1948:		15	
		102	
Plus cases closed and not forwarded for investigation:			4
TOTAL number of new FIS's received during period:			106
Interim Activities reports received:			2
TOTAL number of requests for clearance resolved during period:			108
			437
	TOTAL VOLUME:		437

Number of approvals - (Applicants - 20 : Employees on duty - 51):	51	
Number of disapprovals:	5	
Number of cases closed before completion:	<u>12</u>	
TOTAL cases closed during month:		63
Cases in process in FBI as of end of Month:	2	
Cases under investigation by facilities other than FBI:	260	
Cases in process in I & S as of end of Month:	<u>104</u>	
TOTAL cases in process as of end of Month:		305

* This is a rotating figure which includes 2 completed applicant cases awaiting appraisal. These cases will be appraised within 1 working day. It also includes 50 low priority cases concerning re-investigations of persons on duty. This figure also includes 25 cases in which the FBI's are receiving pre-investigation action, together with cases involving incomplete FBI's, those awaiting justification of necessary exception to existing security policy, etc.

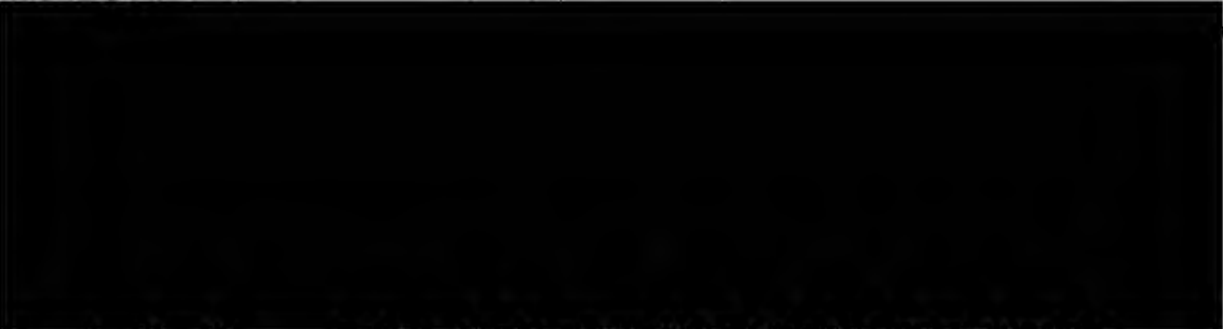
- (2) Name Checks for [REDACTED] 25X1A
- | | |
|---|------|
| (a) Number pending last day of previous month | 12 |
| (b) Number requests received during month | 14 |
| (c) Number completed during period | 11.7 |
| (d) Pending | 12 |
- (3) Name Checks other than those for [REDACTED] 25X1A
- | | |
|---|-----|
| (a) Number pending last day of previous month | 350 |
| (b) Number requests received during period | 272 |
| (c) Number completed during period | 173 |
| (d) Pending | 501 |
- (4) Number of Exit Interviews conducted, and interviews with employees leaving Washington, D. C., or having a temporary break in actual employment: 23
- (5) Number of files reviewed for representations of other government agencies: 22
- (6) Name checks conducted for the FBI against the security files of CIA: 62

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7. Physical Security Division

a. In completing operating details of the Disaster Plan, agreement has been reached whereby P.S.A. will install siren fire alarm systems in six CIA buildings which presently lack alarm systems. The provision for alarm systems constitutes an important part of the CIA Disaster Plan.

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d. The fingerprinting of all volunteered personnel not previously fingerprinted within the time designated under the Loyalty Program was completed and the report submitted to the FBI.

e. The Atomic Energy Commission requested a copy of the CIA Disaster Plan for guidance in developing and establishing similar plans in their operations in the event of emergency.

f. Preliminary plans have been established for the security indoctrination of all CIA employees who have not previously been formally indoctrinated.

g. During the month of April four security indoctrination classes were held for 22 new employees.

h. Security violations involving unlocked safes and exposed classified material indicated as a result of inspections conducted by representatives of this office and by the guards during non-working hours totaled 13 for the month. This is the lowest record of violations for the past eight months. A summary of the security violations for the month of April is as follows:

<u>OFFICE</u>	<u>EXPOSED CLASSIFIED MATERIAL</u>		<u>OTHER SAFEG</u>	<u>TOTAL</u>
	<u>Top Secret</u>	<u>Secret & Confidential</u>		
Dir. Off.	0	0	0	0
Gen. Counsel	0	0	0	0
IOAPS	0	0	0	0
AMH	0	1	0	1
IOS	0	0	0	0
OGD	0	0	0	0
ORE	1	2	2 (1 May Case)	6
OC	0	2	0	2
OSO	0	0	5	5
Advisory Council	0	0	0	0
GPO (South Bldg.)	0	0	0	0
	<u>1</u>	<u>5</u>	<u>7</u>	<u>13</u>
TOTALS	1	5	7	13

i. Safe Repair Operations for the month of April were as follows:

<u>Combinations Changed</u>	<u>Secondary Repairs Made</u>	<u>Major Repairs Arranged for</u>
207	45	26

j. Indoctrination activity and handling of pass control during the month of April were as follows:

<u>Preliminary Indoctrination, Fingerprinting, photo- graphing, Secrecy Agreement (Including OSO)</u>	<u>Regular Badges Made and Issued</u>	<u>Limited Passes Made and Issued</u>	<u>Regular Badges Destroyed</u>	<u>Limited Passes Destroyed</u>
54	57	4	36	1

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L. Night security inspections made by Night Duty Security Officers were as follows:

<u>OFFICER</u>	<u>NUMBER OF INSPECTIONS MADE</u>	<u>REMARKS</u>
Director's Office	3	1 Building
General Counsel	3	1 Building
O.R.E.	13	3 Buildings
A & M	22	by Branches-4 Bldgs.
O.C.D.	6	2 Buildings
I & S	5	2 Buildings
I.C.A.P.S.	5	1 Building
G-O	13	By Branches-2 Bldgs.
Advisory Council	3	1 Building
Exec. Dir. & Off. Sec. H.I.A.	3	1 Building
G.P.O. (South Building)	2	1 Building
TOTAL	76	

L. Visitor traffic in CIA buildings for the month of April as follows:

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BUILDINGS	PURPOSE OF VISITS					TOTALS
	General Visitors	Applicants for Employment	Employees Forgotten Badges	New Employees without Badges	Deliveries and Repairs	
North	655	201	11	65	63	915
Central	176	51	5	35	23	290
South	173	31	19	65	41	329
Admin.	258	0	2	10	8	278
25X1A "Q"	650	182	30	157	44	1063
"R"	633	99	21	60	69	913
[REDACTED]	49	0	1	-	0	67
2210 "R"	127	2	0	210	17	356
25X1A Briggs School	43	0	6	34	38	121
[REDACTED]	176	1	3	16	127	323
[REDACTED]	135	18	3	35	140	331
1340 "L"	154	0	4	16	1	175
25X1A [REDACTED]	67	6	7	20	14	134
TOTALS	3312	571	111	733	609	5336

In addition to the above, 613 applicants for positions were admitted to the Personnel Branch interview room in North Building, adjoining the receptionist room. These persons were logged by the receptionist but Visitor Passes were not issued to them, as they were not admitted to the building proper.

3. Inspection and Audit Division

a. The inspection as ordered by the Director was completed and reports made to the appropriate officials.

b. A special investigation conducted for the Executive Director was completed and report submitted.

c. An inspection of CIA motor vehicle operations was conducted. The inspection was the first of a continuing series as provided for in the Executive Director's statement of functions dated 25 March 1948.

d. Re-inspection of Services Branch supply handling was conducted to determine progress made toward implementing the recommendations made in the inspection report of 17 February 1948.

e. Preparation and processing for inspection of European and Mediterranean [redacted] was initiated.

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f. At the request of the Economic Cooperation Administration, the Acting Chief of the Inspection Division was detailed on a loan basis to assist that Agency in formulating its security policy.

g. During the month of April members of this Division participated in the functions of the CIA and OSO Property Survey Boards.

h. During the month of April the entire Audit staff continued its audit of Special Funds accounts. A special report on the month's audit has been submitted to the Director.

9. Security Control Staff

a. During the month reviews and decisions were rendered with respect to 16 requests for security clearance on academic papers, books and writings for publication, Civil Service examinations, letters of recommendation, questionnaires and similar problems.

b. Approximately 16 opinions and policy decisions relating to security matters were given in response to specific requests. Included in the subjects considered were:

- (1) Assignment of IAC agency personnel to CIA operations;
- (2) Credit references for [redacted] Office personnel;
- (3) Determination of proper security classifications;
- (4) Dissemination of CIA information;
- (5) Security policy toward non-IAC agency;
- (6) Establishment of contact with International Bank;
- (7) Map Branch material for U. S. exhibits;
- (8) Handling of ABC restricted data by CIA personnel.

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c. Sixteen proposed contacts are under consideration for approval under the security policy governing discussion with and dissemination of classified information to individuals within non-IAC agencies.

d. Sub-liaison clearing authority was requested and established for the Coast and Geodetic Survey. Due to the small volume it now appears unnecessary to formally establish this authority.

e. Contact security policy memoranda were issued for the handling of classified information for the Department of Agriculture, Department of Interior, Federal Trade Commission, and an alternate liaison clearing authority was established in the National Advisory Committee on Aeronautics.

f. Prepared and coordinated an instruction for distribution to 80 Field Offices covering credit references for field personnel.

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h. Policy guidance was rendered with respect to clearance of CIA classified information for submission to ad hoc committees.

i. Prepared special security policy for disclosure of SECRET and TOP SECRET information to the National Security Resources Board.

II. PROJECTS AND PLANS FOR MAY

1. Investigations Division

a. Consolidation of the two Reference Index Files on personnel security information will be initiated during the month.

2. Inspection and Audit Division

a. Completion and submission of report of motor vehicle inspection.

b. Briefing for inspection of European and Mediterranean Bureaus, FBIS.

c. Study of redefined functions of inspection and security to determine their application to the organizational pattern of CIA.

d. No other projects are planned for the audit program as full time of the entire Audit staff will be devoted to the continued audit of Special Funds.

3. Security Control Staff

a. Completion of plan for the storage of vital CIA documents in the event of emergency or disaster.

b. Preparation of a policy with respect to the placing of subscriptions covering periodicals and publications for CIA use.

4. The major effort of I & S during the month of May will be devoted to the organization of the CIA Investigative Unit and establishment of sub-offices throughout the United States to provide adequate investigative coverage consistent with CIA investigative requirements.

SHEPPARD EDWARDS

Colonel, U.S.C.

Executive for Inspection and Security

IS: RLB/mth

cc: Executive Director
Asst. Director, ORE
Asst. Director, OO
Asst. Director, OGD
Asst. Director, OSO
Executive for I & S

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